

MONTREAL 3,
P.O. BOX 250
845-6108

FINANCIAL COUNSEL

— ESTABLISHED 1925 —

TORONTO 1,
6 Adelaide St., E.
368-1674

Press Article Authorized by:

Argus Corporation Limited,
10 Toronto Street,
Toronto, Ontario.

● FOR RELEASE

TUESDAY
JUNE 17/69

Miss P. Ferguson

AR48

ARGUS ASSET VALUE \$20.41 MAY 31 -- \$15.29 YEAR AGO

Indicated net asset value of Argus Class C and common shares was \$20.41 at May 31, 1969 compared with \$15.29 a year ago, John A. McDougald, president, reports. Common share purchases in the six months ended May 31 were 100,000 Dominion Stores, 100,000 Hollinger Mines and 500,000 Massey-Ferguson. During June, an additional 250,000 Massey-Ferguson common shares were purchased, increasing total holdings to 2,850,000. E.P. Taylor, formerly president of the Company, was recently elected chairman of the board.

Investment income was \$4,158,227 for six months ended May 31, 1969 against \$4,240,001 last year. Net income of \$3,562,426 (after income taxes of \$208,000) compares with \$3,867,358 in the previous year. Earnings per Class C and common share for six month period were 32.5 cents compared with 36 cents last year.

Market value of investments was \$207.8 million (cost \$97.3 million) at May 31, 1969 compared with \$171 million (cost \$85.1 million) a year ago. Investments in common shares were: 500,000 British Columbia Forest Products, 2,000,000 Dominion Stores, 2,500,000 Domtar, 1,000,000 Hollinger Mines, 2,600,000 Massey-Ferguson and 2,687,475 Standard Broadcasting.

Argus Corporation Ltd.

SCHEDULE OF SECURITIES OWNED AT MAY 31, 1969

<u>Common Shares</u>	<u>Company</u>	<u>Market Value</u>	<u>%Outstanding Shares</u>
500,000	B.C. Forest Products	\$ 18,500,000	13.4%
2,000,000	Dominion Stores	30,000,000	24.8%
2,500,000	Domtar	38,750,000	17.0%
1,000,000	Hollinger Mines	35,500,000	20.3%
2,600,000	Massey Ferguson	49,400,000	14.3%
2,687,475	Standard Broadcasting	<u>35,609,044</u>	48.1%
		\$207,759,044	
<u>PROFIT & LOSS</u>			
		6 Mos. Ended	6 Mos. Ended
		May 31-69	May 31-68
Invest. Income		\$ 4,158,227	\$ 4,240,901
Oper. Expenses		112,801	89,732
Interest		275,000	283,811
Income Taxes		208,000	-----
Net Income		\$ 3,562,426	\$ 3,867,358
<u>ASSETS</u>			
		May 31-69	May 31-68
Invest's (x)		\$ 97,281,796	\$ 85,089,560
Securities (y)		6,721,688	447,041
Cash		75,536	67,434
Cash Val. Insur.		411,200	397,800
H.O. Premises		1	1
Total Assets		\$104,490,221	\$86,001,836
<u>LIABILITIES</u>			
		May 31-69	May 31-68
Divid. Payable		\$ 1,184,891	\$ 1,184,891
Accts. Pay. Etc.		59,204	50,660
Income Taxes		68,095	-----
Funded Debt		10,000,000	10,000,000
Capital		57,998,881	58,261,781
Contrib. Surplus		208,583	145,027
Earned Surplus		<u>34,970,567</u> (z)	<u>16,359,477</u>
Total Liabilities		\$104,490,221	\$86,001,836
(x) Common shares at cost. Market value \$207,759,044 at May 31/69; \$170,927,258 at May 31/68.			
(y) Short term.			
(z) Includes profit of \$17,743,000 on sale of Canadian Breweries common shares in June, 1968.			

ARGUS CORPORATION LIMITED

10 TORONTO STREET, TORONTO 1, CANADA

SEMI-ANNUAL REPORT

June 16, 1969.

TO THE SHAREHOLDERS OF

ARGUS CORPORATION LIMITED

Your directors present the balance sheet as at May 31, 1969, the statement of income and expenses and the statement of source and application of funds for the six months' period ended on that date. Also shown are comparative figures for the previous year.

As at May 31, 1969 the indicated net asset value of each of the Company's Class C shares and common shares was \$20.41 per share, compared with \$15.29 per share as at May 31, 1968.

Income from investments during the period amounted to \$4,158,227 compared to \$4,240,901 in the corresponding period last year. Expenses (including interest of \$275,000) were \$387,801 compared to \$373,543 (including interest of \$283,811) for the same period in the previous year. Net income amounted to \$3,562,426 (after provision for income taxes of \$208,000) which compared with \$3,867,358 for the six months ended May 31, 1968. In addition to the regular dividends on the Company's Class A and Class B Preference Shares, quarterly dividends of 14¢ per share on the Class C and the common shares were paid during the period. Earned surplus increased by \$377,937 during the six months covered by the report and amounted to \$34,970,567 at May 31, 1969.

Your Company made the following common share purchases during the six months' period ended May 31, 1969: 100,000 shares Dominion Stores Limited, 100,000 shares Hollinger Mines Limited and 500,000 shares Massey-Ferguson Limited. During the current month, an additional 250,000 common shares of Massey-Ferguson Limited were purchased, increasing your Company's holdings to 2,850,000 shares.

Since November 30, 1968, 1,580 Class A Preference Shares \$2.50 Series and 1,278 Class A Preference Shares \$2.60 Series were purchased and cancelled.

A recent declaration by Standard Broadcasting Corporation Limited increased the annual dividend rate on its common shares from 10¢ to 20¢ per share.

Your Board of Directors recently declared quarterly dividends of 15¢ per share on the Class C and common shares of the Company, thus raising the annual dividend rates on such shares to 60¢ per share.

At the meeting of your Board of Directors held on June 3rd, 1969, Mr. E. P. Taylor, a founder of the Company and President since its inception in 1945, was elected Chairman of the Board, Mr. John A. McDougald, who has been a Vice-President and Chairman of the Executive Committee since 1962, was elected President of the Company. Mr. A. Bruce Matthews was elected Executive Vice-President and Messrs. Maxwell C. G. Meighen and George M. Black, Jr. were elected Vice-Presidents of the Company. Mr. Meighen was also elected Chairman of the Executive Committee of the Board of Directors.

Shareholders will continue to be kept informed of the operations of the companies representing your Company's major interests through the receipt of annual statements of such companies.

Submitted on behalf of the Board,

E. P. TAYLOR,
Chairman.

JOHN A. McDougald,
President.

A R G U S C O R P O R A T I O N L I M I T E D

B A L A N C E S H E E T — M A Y 3 1 , 1 9 6 9
(with comparative figures at May 31, 1968)

	ASSETS	1969	1968
INVESTMENT IN COMMON SHARES:			
Securities having a quoted market value, at cost (value based on market quotations as at—			
May 31, 1969—\$207,759,044		\$ 97,281,796	\$ 85,089,560
May 31, 1968—\$170,927,258)			
CASH IN BANKS		75,536	67,434
SHORT TERM SECURITIES, at cost plus accrued interest		6,721,688	447,041
CASH SURRENDER VALUE OF LIFE INSURANCE POLICIES		411,200	397,800
HEAD OFFICE PREMISES—land, buildings and furnishings, at nominal value		1	1
	<u><u>\$104,490,221</u></u>	<u><u>\$ 86,001,836</u></u>	
LIABILITIES			
DIVIDENDS PAYABLE		\$ 1,184,891	\$ 1,184,891
ACCOUNTS PAYABLE AND ACCRUED LIABILITIES		59,204	50,660
INCOME TAXES PAYABLE		68,095	—
5 1/2% SECURED NOTES SERIES C, due November 1, 1975		10,000,000	10,000,000
CAPITAL AND SURPLUS:			
Capital stock (Notes 1 and 2)			
Number of shares			
Authorized	Issued		
318,857			
	Class A Preference—		
126,750	\$2.50 Series	6,337,500	6,483,400
192,107	\$2.60 Series	9,605,350	9,722,350
1,000,000	Class B Preference—		
300,000	Cumulative, 1962 Series (\$2.70 Dividend)	15,000,000	15,000,000
6,770,944	Class C Participating Non-Voting Preference	21,644,825	21,644,825
10,000,000	Common	5,411,206	5,411,206
		<u><u>57,998,881</u></u>	<u><u>58,261,781</u></u>
Contributed surplus, realized on purchase for cancellation of Preference Shares (including \$34,510 arising during the six months ended May 31, 1969)		208,583	145,027
Earned Surplus		34,970,567	16,359,477
		<u><u>93,178,031</u></u>	<u><u>74,766,285</u></u>
	<u><u>\$104,490,221</u></u>	<u><u>\$ 86,001,836</u></u>	

NOTES:

(1) The Class A and Class B Preference Shares have a par value of \$50 each and are issuable in series; the Class C Preference Shares and the Common Shares are without par value. The issued Class A and Class B Preference Shares carry cumulative dividends and are redeemable at \$52.50 per share and accrued dividends. The Class C Preference Shares, subject to the prior rights of the Class A and Class B Preference Shares, participate equally with the Common Shares in (i) any dividends paid in any fiscal year after 30¢ per share has been paid on each Class C Preference Share and Common Share and (ii) any distribution of assets.

(2) During the six months ended May 31, 1969, 1,580 Class A Preference Shares \$2.50 Series and 1,278 Class A Preference Shares \$2.60 Series were purchased and cancelled.

APPROVED ON BEHALF OF THE BOARD:

E. P. TAYLOR, Director

JOHN A. McDougald, Director

ARGUS CORPORATION LIMITED

BOARD OF DIRECTORS

DAVID G. BAIRD	New York City	THOMAS G. McCORMACK	Toronto
*T. N. BEAUPRÉ	Montreal	*JOHN A. McDougald	Toronto
*GEORGE M. BLACK, JR.	Toronto	D. A. McINTOSH, Q.C.	Toronto
H. J. CARMICHAEL	Toronto	ALLEN A. McMARTIN	Bermuda
W. C. THORNTON CRAN	Toronto	*MAXWELL C. G. MEIGHEN	Toronto
*A. L. FAIRLEY, JR.	Montreal	J. N. SWINDEN	Toronto
P. M. FOX	Montreal	*E. P. TAYLOR	Bahama Islands
*A. BRUCE MATTHEWS	Toronto	ALBERT A. THORNBROUGH	Toronto

*Members of the Executive Committee

OFFICERS

<i>Chairman of the Board</i>	E. P. TAYLOR
<i>President</i>	JOHN A. McDougald
<i>Executive Vice-President</i>	A. BRUCE MATTHEWS
<i>Vice-President and Chairman of the Executive Committee</i> .	MAXWELL C. G. MEIGHEN
<i>Vice-President</i>	GEORGE M. BLACK, JR.
<i>General Manager</i>	J. N. SWINDEN
<i>Secretary</i>	H. H. EDMISON
<i>Treasurer</i>	J. R. WRIGHT, C.A.

ARGUS CORPORATION LIMITED

STATEMENT OF EARNED SURPLUS FOR THE SIX MONTHS ENDED MAY 31, 1969

(with comparative figures for the six months ended May 31, 1968)

	1969	1968
Balance at beginning of period.....	\$ 34,592,630	\$ 15,683,132
Net income for the period.....	3,562,426	3,867,358
	<hr/>	<hr/>
Dividends:		
Class A Preference Shares \$2.50 Series.....	159,331	162,916
Class A Preference Shares \$2.60 Series.....	250,370	253,309
Class B Preference Shares 1962 Series.....	405,005	405,005
Class C Participating Preference Shares.....	1,895,826	1,895,826
Common Shares.....	473,957	473,957
	<hr/>	<hr/>
Balance at end of period.....	3,184,489	3,191,013
	<hr/>	<hr/>
	\$ 34,970,567	\$ 16,359,477

STATEMENT OF INCOME AND EXPENSES FOR THE SIX MONTHS ENDED MAY 31, 1969

(with comparative figures for the six months ended May 31, 1968)

	1969	1968
Income:		
Dividends received.....	\$ 3,672,585	\$ 4,237,434
Interest earned.....	485,642	3,467
	<hr/>	<hr/>
4,158,227	4,240,901	
Expenses:		
Salaries of officers and employees.....	37,847	30,104
Directors' fees.....	5,000	5,250
Transfer agents' and registrars' fees and expenses.....	27,287	24,024
General office and administrative expenses.....	42,667	30,354
Interest on Secured Notes.....	275,000	275,000
Bank interest.....	—	8,811
	<hr/>	<hr/>
387,801	373,543	
Income from operations.....	3,770,426	3,867,358
Income taxes.....	<hr/>	<hr/>
	208,000	—
Net income for the period.....	\$ 3,562,426	\$ 3,867,358

AUDITORS' REPORT

To the Directors of

ARGUS CORPORATION LIMITED:

We have examined the balance sheet of Argus Corporation Limited as at May 31, 1969 and the statements of earned surplus, income and expenses and source and application of funds for the six months then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the financial position of the company as at May 31, 1969 and the results of its operations and the source and application of its funds for the six months then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Toronto, June 6, 1969.

PRICE WATERHOUSE & Co.,
Chartered Accountants.

ARGUS CORPORATION LIMITED

**STATEMENT OF SOURCE AND APPLICATION OF FUNDS
FOR THE SIX MONTHS ENDED MAY 31, 1969**
(with comparative figures for the six months ended May 31, 1968)

	1969	1968
Cash in banks and short term securities at beginning of period.....	\$ 23,564,517	\$ 62,185
Source of funds:		
Net income for the period.....	3,562,426	3,867,358
	<u>\$ 27,126,943</u>	<u>\$ 3,929,543</u>
Application of funds:		
Dividends paid.....	\$ 3,184,489	\$ 3,191,013
Purchase of investments.....	16,732,979	—
Purchase for cancellation of Class A Preference Shares.....	108,390	79,377
Decrease in income taxes payable.....	287,455	—
Bank loans reduced.....	—	120,000
Other.....	16,406	24,678
	<u>20,329,719</u>	<u>3,415,068</u>
Cash in banks and short term securities at end of period.....	6,797,224	514,475
	<u>\$ 27,126,943</u>	<u>\$ 3,929,543</u>

SCHEDULE OF SECURITIES AS AT MAY 31, 1969
(with comparative figures as at May 31, 1968)

Company	Class of shares	1969			1968	
		Number of shares	Percentage of outstanding shares	Indicated market value	Number of shares	Indicated market value
British Columbia Forest Products Limited.....	Common	500,000	13.4%	\$ 18,500,000	462,500	\$ 7,168,750
Canadian Breweries Limited.....	Common	—	—	—	2,400,000	19,500,000
Dominion Stores Limited.....	Common	2,000,000	24.8%	30,000,000	1,900,000	34,200,000
Domtar Limited.....	Common	2,500,000	17.0%	38,750,000	2,475,000	22,275,000
Hollinger Mines Limited.....	Common	1,000,000	20.3%	35,500,000	800,000	23,600,000
Massey-Ferguson Limited.....	Common	2,600,000	14.3%	49,400,000	1,980,000	38,115,000
Standard Broadcasting Corporation Limited.....	Common	2,687,475*	48.1%	35,609,044	537,495	26,068,508

*Gives effect to a 5 for 1 split of common shares in July, 1968.

NOTE:

The indicated market values of portfolio holdings are the result of pricing the holdings in each security at the closing quoted market prices as at May 31. Such amounts do not necessarily represent the value of entire blocks which may be more or less than that indicated by market quotations.

MONTREAL 101,
P.O. BOX 250
845-6108

FINANCIAL COUNSEL

— ESTABLISHED 1925 —

TORONTO 210,
6 Adelaide St., E.
368-1674

Press Article Authorized by:

Argus Corporation Limited,
10 Toronto Street,
Toronto, Ontario.

file

● FOR RELEASE

WEDNESDAY
DEC. 17/69

AR48

ARGUS ASSET VALUE \$18.54 SHARE AT NOV. 30

Indicated net asset value of each Class C and common share of Argus Corp. was \$18.54 at Nov. 30, 1969 compared with \$20.13 a year ago, John A. McDougald, president, states in the annual report. Common share purchases during the year totalled \$21,969,625 and included 100,000 Dominion Stores Ltd., 100,000 Hollinger Mines Ltd. and 750,000 Massey-Ferguson Ltd.

Net income of \$7,274,688, equal to 66.7 cents per Class C and common share, for year ended Nov. 30, 1969 compares with \$7,545,432 or 69.8 cents for previous year. Investment income was \$8,254,729 against \$8,657,106.

Market value of common shares was \$196,812,175 (cost \$102,518,442) at Nov. 30, 1969 compared with \$189,110,634 (cost \$80,548,817) a year ago. Common shares held included 500,000 British Columbia Forest Products Ltd., 2,000,000 Dominion Stores Ltd., 2,500,000 Domtar Ltd., 1,000,000 Hollinger Mines Ltd., 2,850,000 Massey-Ferguson Ltd., and 2,687,475 Standard Broadcasting Corp.

Argus Corporation Ltd.

SCHEDULE OF SECURITIES OWNED AT NOV. 30, 1969

<u>Common Shares</u>	<u>Company</u>	<u>Market Value</u>	<u>% Outstanding Shares</u>
500,000	B.C. Forest Products	\$ 17,625,000	13.4%
2,000,000	Dominion Stores	26,000,000	24.8%
2,500,000	Domtar	38,125,000	16.9%
1,000,000	Hollinger Mines	30,250,000	20.3%
2,850,000	Massey-Ferguson	49,875,000	15.7%
2,687,475	Standard Broadcasting	<u>34,937,175</u>	48.0%
		\$ 196,812,175	

PROFIT & LOSS

	<u>Year Ended Nov. 30-69</u>	<u>Year Ended Nov. 30-68</u>
Invest. Income	\$ 8,254,729	\$ 8,657,106
Oper. Expenses	236,041	196,225
Interest	550,000	559,449
Income Taxes	<u>194,000</u>	<u>356,000</u>
Net Income	\$ 7,274,688	\$ 7,545,432

ASSETS

	<u>Nov. 30-69</u>	<u>Nov. 30-68</u>
Investments (x)	\$ 102,518,442	\$ 80,548,817
Securities (y)	1,573,437	23,493,489
Cash	73,914	71,028
Cash Val. Insur.	416,200	402,600
Other Assets	207,737	-----
H.O. Premises	1	1
Total Assets	\$ 104,789,731	\$ 104,515,935

LIABILITIES

	<u>Nov. 30-69</u>	<u>Nov. 30-68</u>
Divid. Payable	\$ 1,269,527	\$ 1,184,891
Payables Etc. (z)	77,560	422,560
Funded Debt	10,000,000	10,000,000
Capital	57,864,381	58,141,781
Contrib. Surplus	245,892	174,073
Earned Surplus	<u>35,332,371</u>	<u>34,592,630</u>
Total Liabilities	\$ 104,789,731	\$ 104,515,935

(x) Common shares at cost. Market value-\$196,812,175 at Nov. 30/69; \$189,110,634 at Nov. 30/68.

(y) Short term, at cost plus accrued interest.

(z) Includes income taxes-\$4,586 in 1969; \$355,550 in 1968.

ARGUS CORPORATION LIMITED
10 TORONTO STREET, TORONTO 1, CANADA

ANNUAL REPORT

December 16, 1969.

TO THE SHAREHOLDERS OF

ARGUS CORPORATION LIMITED

Your directors present the balance sheet as at November 30, 1969, the statement of income and expenses and the statement of source and application of funds for the year ended on that date. Also shown are comparative figures for the previous year.

As at November 30, 1969 the indicated net asset value of each of the Company's Class C shares and common shares was \$18.54 per share, compared with \$20.13 per share as at November 30, 1968.

Income from investments during the period amounted to \$8,254,729 compared to \$8,657,106 in the previous year. Expenses (including interest of \$550,000) were \$786,041 compared to \$755,674 (including interest of \$559,449) for the previous year. Net income amounted to \$7,274,688 which compared with \$7,545,432 for the year ended November 30, 1968. Earnings on the Class C and common shares amounted to 66.7¢ per share, compared to 69.8¢ per share in the previous year. Dividends of 57¢ per share were paid on the Class C and the common shares during the year. Commencing with the September 1969 quarterly payment the annual dividend rate on such shares was raised to 60¢ per share.

Earned surplus increased by \$739,741 during the year and amounted to \$35,332,371 at November 30, 1969.

Purchased and cancelled during the year were 2,800 Class A Preference Shares \$2.50 Series and 2,748 Class A Preference Shares \$2.60 Series.

Shareholders will continue to be kept informed of the operations of the companies representing your Company's major interests through the receipt of annual statements of such companies.

Submitted on behalf of the Board,

E. P. TAYLOR,
Chairman.

JOHN A. McDougald,
President.

ARGUS CORPORATION LIMITED

BALANCE SHEET—NOVEMBER 30, 1969
(with comparative figures at November 30, 1968)

	ASSETS	1969	1968
INVESTMENTS IN COMMON SHARES:			
Securities having a quoted market value, at cost.....		\$102,518,442	\$ 80,548,817
(value based on market quotations as at—			
November 30, 1969—\$196,812,175			
November 30, 1968—\$189,110,634)			
CASH IN BANKS	73,914	71,028	
SHORT TERM SECURITIES , at cost plus accrued interest.....	1,573,437	23,493,489	
CASH SURRENDER VALUE OF LIFE INSURANCE POLICIES	416,200	402,600	
OTHER ASSETS	207,737	—	
HEAD OFFICE PREMISES —Land, buildings and furnishings, at nominal value.....	1	1	
	\$104,789,731	\$104,515,935	
	LIABILITIES		
DIVIDENDS PAYABLE	\$ 1,269,527	\$ 1,184,891	
ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	72,974	67,010	
INCOME TAXES PAYABLE	4,586	355,550	
5½% SECURED NOTES SERIES C, due November 1, 1975.....	10,000,000	10,000,000	
CAPITAL AND SURPLUS:			
Capital stock (Notes 1 and 2)			
	Number of shares		
	Authorized	Issued	
316,167			
		Class A Preference—	
	125,530	\$2.50 Series.....	6,276,500
	190,637	\$2.60 Series.....	9,531,850
1,000,000		Class B Preference—	
	300,000	Cumulative, 1962 Series (\$2.70 Dividend).....	15,000,000
6,770,944	6,770,944	Class C Participating Non-Voting Preference.....	21,644,825
10,000,000	1,692,736	Common.....	5,411,206
			57,864,381
			58,141,781
Contributed surplus, realized on purchase for cancellation of Preference Shares (including \$71,819 arising during the year ended November 30, 1969).....		245,892	174,073
Earned surplus.....		35,332,371	34,592,630
		93,442,644	92,908,484
		\$104,789,731	\$104,515,935

NOTES:

(1) The Class A and Class B Preference Shares have a par value of \$50 each and are issuable in series; the Class C Preference Shares and the Common Shares are without par value.
The issued Class A and Class B Preference Shares carry cumulative dividends and are redeemable at \$52.50 per share and accrued dividends.
The Class C Preference Shares, subject to the prior rights of the Class A and Class B Preference Shares, participate equally with the Common Shares in (i) any dividends paid in any fiscal year after 30¢ per share has been paid on each Class C Preference Share and Common Share and (ii) any distribution of assets.

(2) During the year ended November 30, 1969, 2,800 Class A Preference Shares \$2.50 Series and 2,748 Class A Preference Shares \$2.60 Series were purchased and cancelled.

APPROVED ON BEHALF OF THE BOARD:

E. P. TAYLOR, Director

JOHN A. McDougald, Director

ARGUS CORPORATION LIMITED

BOARD OF DIRECTORS

DAVID G. BAIRD	New York City	THOMAS G. McCORMACK	Toronto
*T. N. BEAUPRÉ	Montreal	*JOHN A. McDougald	Toronto
*GEORGE M. BLACK, JR.	Toronto	D. A. MCINTOSH, Q.C.	Toronto
H. J. CARMICHAEL	Toronto	ALLEN A. McMARTIN	Bermuda
W. C. THORNTON CRAN	Toronto	*MAXWELL C. G. MEIGHEN	Toronto
*A. L. FAIRLEY, JR.	Montreal	J. N. SWINDEN	Toronto
P. M. FOX	Montreal	*E. P. TAYLOR	Bahama Islands
*A. BRUCE MATTHEWS	Toronto	ALBERT A. THORNBROUGH	Toronto

*Members of the Executive Committee

OFFICERS

<i>Chairman of the Board</i>	E. P. TAYLOR
<i>President</i>	JOHN A. McDougald
<i>Executive Vice-President</i>	A. BRUCE MATTHEWS
<i>Vice-President and Chairman of the Executive Committee</i> .	MAXWELL C. G. MEIGHEN
<i>Vice-President</i>	GEORGE M. BLACK, JR.
<i>General Manager</i>	J. N. SWINDEN
<i>Secretary</i>	H. H. EDMISON
<i>Treasurer</i>	J. R. WRIGHT, C.A.

ARGUS CORPORATION LIMITED

STATEMENT OF EARNED SURPLUS FOR THE YEAR ENDED NOVEMBER 30, 1969 (with comparative figures for the year ended November 30, 1968)

	1969	1968
Balance at beginning of year.....	\$34,592,630	\$15,683,132
Net income for the year.....	7,274,688	7,545,432
Profit on securities sold.....	—	17,743,116
	<u>41,867,318</u>	<u>40,971,680</u>
Dividends:		
Class A Preference Shares \$2.50 Series.....	317,019	324,055
Class A Preference Shares \$2.60 Series.....	499,082	505,420
Class B Preference Shares 1962 Series.....	810,010	810,010
Class C Participating Preference Shares.....	3,927,069	3,791,652
Common Shares.....	981,767	947,913
	<u>6,534,947</u>	<u>6,379,050</u>
Balance at end of year.....	<u>\$35,332,371</u>	<u>\$34,592,630</u>

STATEMENT OF INCOME AND EXPENSES FOR THE YEAR ENDED NOVEMBER 30, 1969 (with comparative figures for the year ended November 30, 1968)

	1969	1968
Income:		
Dividends received.....	\$ 7,723,832	\$ 7,815,312
Interest earned.....	530,897	841,794
	<u>8,254,729</u>	<u>8,657,106</u>
Expenses:		
Salaries of officers and employees.....	81,063	64,756
Directors' fees.....	10,000	10,250
Transfer agents' and registrars' fees and expenses.....	49,350	49,647
General office and administrative expenses.....	95,628	71,572
Interest on Secured Notes.....	550,000	550,000
Bank and other interest.....	—	9,449
	<u>786,041</u>	<u>755,674</u>
Income from operations.....	<u>7,468,688</u>	<u>7,901,432</u>
Income taxes.....	<u>194,000</u>	<u>356,000</u>
Net income for the year.....	<u>\$ 7,274,688</u>	<u>\$ 7,545,432</u>

AUDITORS' REPORT

To the Shareholders of

ARGUS CORPORATION LIMITED:

We have examined the balance sheet of Argus Corporation Limited as at November 30, 1969 and the statements of earned surplus, income and expenses and source and application of funds for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the financial position of the company as at November 30, 1969 and the results of its operations and the source and application of its funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Toronto, December 5, 1969

PRICE WATERHOUSE & Co.,
Chartered Accountants.

ARGUS CORPORATION LIMITED

**STATEMENT OF SOURCE AND APPLICATION OF FUNDS
FOR THE YEAR ENDED NOVEMBER 30, 1969**
(with comparative figures for the year ended November 30, 1968)

	1969	1968
Cash in banks and short term securities at beginning of year.....	\$23,564,517	\$ 62,185
Source of funds:		
Net income for the year.....	7,274,688	7,545,432
Increase in income taxes payable.....	—	355,550
Sale of investments.....	—	28,776,000
	<u>\$30,839,205</u>	<u>\$36,739,167</u>
Application of funds:		
Dividends paid in the year.....	\$ 6,450,311	\$ 6,379,050
Purchase of investments.....	21,969,625	6,492,141
Decrease in income taxes payable.....	350,964	—
Purchase for cancellation of Class A Preference Shares.....	205,581	170,331
Bank loans reduced.....	—	120,000
Other.....	215,373	13,128
	<u>29,191,854</u>	<u>13,174,650</u>
Cash in banks and short term securities at end of year.....	1,647,351	23,564,517
	<u>\$30,839,205</u>	<u>\$36,739,167</u>

SCHEDULE OF SECURITIES AS AT NOVEMBER 30, 1969
(with comparative figures as at November 30, 1968)

Company	Class of shares	1969			1968	
		Number of shares	Percentage of outstanding shares	Indicated market value	Number of shares	Indicated market value
British Columbia Forest Products Limited.....	Common	500,000	13.4%	\$ 17,625,000	500,000	\$ 14,125,000
Dominion Stores Limited.....	Common	2,000,000	24.8%	26,000,000	1,900,000	32,300,000
Domtar Limited.....	Common	2,500,000	16.9%	38,125,000	2,500,000	30,937,500
Hollinger Mines Limited....	Common	1,000,000	20.3%	30,250,000	900,000	30,600,000
Massey-Ferguson Limited.....	Common	2,850,000	15.7%	49,875,000	2,100,000	48,562,500
Standard Broadcasting Corporation Limited....	Common	2,687,475	48.0%	34,937,175	2,687,475	32,585,634
				<u>\$196,812,175</u>		<u>\$189,110,634</u>

NOTE:

The indicated market values of portfolio holdings are the result of pricing the holdings in each security at the closing quoted market prices as at November 30. Such amounts do not necessarily represent the value of entire blocks which may be more or less than that indicated by market quotations.

